

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: January 31, 1996

SUBJECT: **SB 2796**

This bill, if enacted, will amend the retirement law to require the continued indexing of the average final compensation by 3.6% for those non-contributory employees who were members of the retirement system on July 1, 1981 and who were contributory members prior to July 1, 1981.

The fiscal impact from enactment of this bill is estimated to be an increase in accrued liabilities of approximately \$81,270,000 with an annual amortized cost of \$8,075,000 to the state.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

Increased expenditures to local governments will depend upon the number of local governments electing to come under the provisions of the bill.

The fiscal effect should all local governments elect to come under the provisions of this bill will be an increase in accrued liabilities of approximately \$8,555,000 with an annual amortized cost of \$870,000.

These estimates assume that the accrued liability will be amortized over 20 years at 8%.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director